# BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In The Matter of the Commission's )
Investigation of Ohio's Retail Electric Service ) Case No. 12-3151-EL-COI
Market.

# COMMENTS OF THE OMA ENERGY GROUP

#### I. INTRODUCTION

The Ohio Manufacturers' Association Energy Group (OMAEG) respectfully submits these Comments on the Market Development Plan (Plan) proposed in the above-captioned proceeding by the Staff of the Public Utilities Commission of Ohio (Commission) in response to the Commission's investigation of Ohio's retail electric service market. Within its Plan, Staff has proposed action plans in connection with several different aspects of retail electric service. OMAEG appreciates the opportunity afforded by the Commission to provide the following comments, which address a number of the Plan's proposed courses of action.

#### II. COMMENTS

# A. Standardizing the Retail Electric Service Market

OMAEG agrees with Staff that standardization of the market rules and processes of the various electric distribution utilities (EDUs) in Ohio should be pursued. The Commission should closely consider consistency impacts across the state when it implements policies, both in rulemakings and other proceedings, in order to prevent the creation of barriers.

# B. Ohio Retail Electric Service Market Definition and Measurements

OMAEG supports the criteria Staff has developed for determining whether effective competition exists in the Ohio retail electric service market, including: participation in the market by multiple sellers such that no individual seller is able to significantly influence the

market price of the commodity; participation in the market by informed buyers; the lack of substantial barriers to suppliers' entry into and exit from the market; the lack of barriers that may seriously discourage customer participation in the market; the offering of a variety of competitive retail electric services to customers; the presence of a number of Commission-certified and/or active competitive retail electric service (CRES) providers in the State of Ohio and in each EDU's service territory; the number of customers, by class, and by percentage of load (by class) in each EDU, who shop for generation; the structural separation of all Ohio EDUs; the procurement of 100% of the standard service offer (SSO) load for each Ohio EDU through a competitive process; and the level of customer engagement and education on the electric products and services available.

# C. Confidentiality of Supplier Information

OMAEG agrees with Staff that customers must trust the market and feel assured that the information available is accurate. OMAEG also agrees that the Commission must strive for transparency within the retail electric service market. OMAEG further posits, however, that all electric utilities must strive to provide the market with the most transparent, understandable information and products available. OMAEG further agrees that the number of customers served, and the load information, in MWh, for each CRES in each EDU's service territory, should be publically available. As Staff mentions, this type of information is not confidential in other industries, and should be transparent in an industry as encompassing and necessary as the electric industry.

### D. Corporate Separation

OMAEG strongly supports the contention that utility and affiliate activities should be vigilantly monitored to ensure compliance with corporate separation statutes and regulations.

OMAEG is also a proponent of the concept that alignment of cost causation with cost recovery is

important in order to further Ohio's policy goals under Section 4928.02, Revised Code. Despite Staff's position that no further Commission action is necessary with regard to the requirement of full divestiture of electric utilities' generation and supplier functions from transmission and distribution entities, OMAEG maintains that the Commission must continue to attentively oversee the structural separation process and monitor the success and preservation of full corporate separation among affiliates. Corporate separation can be achieved through structural separation with an affiliate but must include the appropriate structural safeguards and continued oversight. To this end, OMAEG concurs with Staff's auditing recommendations for each utility's policy and procedures pertaining to compliance with the Code of Conduct for rules between affiliates.

#### E. Standard Service Offer as the Default Service

At this time, OMAEG recommends that the SSO remain as the default service model. OMAEG agrees that an SSO, sourced through competitive auctions, provides customers with a predictable, relatively stable energy pricing option and, as such, continues to play a valuable role in Ohio's competitive retail electric service market.

#### F. Bill Format

OMAEG strongly supports a number of Staff's recommendations regarding bill formatting and changes, namely: (1) EDUs should adjust their bill language to reference "supply" and "delivery" charges, distinguishing supply charges from delivery charges in a separate, defined section of the bill; (2) supply charges should also be separated from delivery in the same manner for customers served by the SSO or a CRES provider; and (3) all EDUs' price-to-compare calculations should be standardized. OMAEG also supports Staff's recommendations that these proposed bill format changes be applied in the natural gas retail sector (in addition to the electric retail sector).

## G. Advanced Metering Infrastructure (AMI)

OMAEG supports the notion that, for CRES providers, customer energy usage data (CEUD) from AMI should enable services that are functionally equivalent to, or substitutes for, traditional electric services. OMAEG agrees that these data-enabled services should provide customers with the opportunity to save money by providing price incentives that encourage shifting consumption to off-peak periods, and by increasing customers' awareness of their consumption patterns.

#### H. Multi-State Standardization Collaborative

Finally, OMAEG encourages action in connection with Staff's recommendation for the Commission to work with nearby states in order to develop and standardize best practices across the region for implementing improvements to the retail electric service market. Many OMAEG members also have facilities in neighboring states, and the establishment of these types of regional best practices would alleviate concerns over significantly divergent retail electric policies and practices from state to state.

#### III. CONCLUSION

As explained above, OMAEG largely supports the recommendations included in Staff's Market Development Plan. OMAEG appreciates the opportunity to submit its comments on issues facing Ohio's retail electric market, and recommends that the Commission adopt the policies and practices presented herein.

# Respectfully submitted,

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#### CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served upon the following parties via electronic mail on February 6, 2014.

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